

DAILY BULLETIN

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PEACEKEEPING ISSUES AMONG HIGHEST U.N. PRIORITIES, HOLLIDAY SAYS

Bush nominee for U.N. post testifies at Senate confirmation hearing

In the post-September 11 world, neither the United States nor the international community “can afford failed states. There is no question that the world needs effective and focused peacekeeping now more than ever,” says Stuart Holliday, who has been nominated by President Bush to be Alternate Representative to the United Nations for Special Political Affairs.

During his appearance before the Senate Foreign Relations Committee November 5, Holliday said that if he is confirmed by the Senate for the U.N. position, “peacekeeping issues will be a major part of my responsibilities, in addition to advancing the U.S. Mission’s work in other key areas such as counterterrorism and nonproliferation.”

Committee Chairman Richard Lugar noted in his opening remarks that if confirmed, Holliday, who currently serves as the State Department’s Coordinator of International Information Programs, “would be one of the primary U.S. liaisons with the U.N. Security Council ... [and therefore] would be an important player in building international support for U.S. priorities, including the war on terrorism, international peacekeeping, and disarmament.”

“Peace operations --- conducted through the U.N. and otherwise --- can contribute greatly to denying terrorist groups new venues from which to operate,” said Hol-

liday, which underscores “the importance of our working to strengthen the U.N.’s capacity to plan and manage these vital efforts.” Holliday described the Brahimi report on peacekeeping reforms as a “very effective start,” and noted that peacekeeping operations “have already begun to be strengthened” as a result of the report “and the efforts of the United States.”

Reiterating the Bush administration’s commitment to “effective, efficient peacekeeping operations”, Holliday said three principles would guide his review of such operations: “whether there is a clear objective; whether a peacekeeping mission is the appropriate mechanism to achieve the ends; and whether the mission can be achieved and the operation can be ended.”

When asked about the prospects for the U.N. Security Council in light of its newest members, Holliday said that the United States is “cautiously optimistic” adding that Washington already has a strong rapport with many of the new members. He also said the U.S. is pleased that Algeria is replacing Libya in the seat designated for North Africa.

In regard to U.N. Secretary General Kofi Annan’s review of the Security Council as part of his reform agenda, Holliday said that the United States is open “to looking at a new composition -- particularly given the financial contributions of countries like Japan and Germany.” He added, however, that the United States would only formulate its position once it reviewed the recommendations that come forward following the review.

When asked how U.S. public diplomacy efforts might improve the perception of U.S. objectives at the United Nations, Holliday responded that he hoped to utilize his experience in the world of public diplomacy to address “the critical perception gap that exists.” He described the United Nations as “a wonderful forum for both listening and explaining [U.S.] policies in a clear fashion with context.” He also noted that the recent passage of U.N. Resolution 1511 -- which outlines a broad political, economic and security framework for Iraq -- demonstrates that the United States can use “this forum effectively as a public diplomacy mechanism in addition to its obvious role as a deliberative body.”

On another note, Lugar expressed the Committee’s concern about the recommendation from U.S. Permanent Representative to the United Nations John D. Negroponte to close the U.N. office in Washington, D.C. after this fiscal year. Lugar said the office has played a vital role

in linking Congress to the issues being addressed at the United Nations. Holliday noted that the recommendation had come about as part of a broader budgetary review. Acknowledging the importance of a robust communication channel between Congress and the United Nations, Holliday promised to look into the status of the issue as well as to work to make sure the flow of information between the two bodies remained strong.

RULE OF LAW A NECESSITY FOR IRAQ, JURIST SAYS

Wall Street Journal op-ed column by Judge Donald Walter

(This column by Donald Walter, who is a U.S. District Court Judge in Shreveport, Louisiana, was published in the Wall Street Journal November 4 and is in the public domain. No republication restrictions.)

Don’t Cut and Run By Donald Walter

The news has not been good from Iraq of late.... Yet we mustn’t let the steady drip, drip, drip of bad news from Iraq keep us from fulfilling the obligations we have assumed there.

The news you watch, listen to and read is highly selective. Good news doesn’t sell. Yet there is good news: Power is back to pre-war levels in most areas, hospitals and universities are up and running, a free media is flourishing. Most importantly, the Coalition Provisional Authority and the Iraqi Governing Council have embarked on a clear path toward writing a new Iraqi constitution, followed by elections, then sovereignty.

But if Iraq is to become a sovereign state, responsible to the will and needs of its people, the Coalition and the Governing Council must first establish order through the rule of law. They must be given the money and manpower to build a working judicial system; there must be civil and criminal courts, and prosecution and law enforcement must be seen to be honest, predictable, fair and accessible to all. Time is of the essence.

In May, I traveled to Iraq with a dozen other legal experts to assess the Iraqi judicial system and make recommendations for the future. Initially, I vehemently opposed the war. But after spending five weeks among

the Iraqi people, I became convinced that -- whether we find any weapons of mass destruction or prove Saddam sheltered and financed terrorists -- President Bush was right to intervene.

When I left Iraq in mid-June, 57 mass graves had been found, one with the bodies of 1,200 children. There are credible reports of murder, brutality and torture of hundreds of thousands of ordinary Iraqi citizens. Their fear was palpable. I have seen the machines and places of torture and heard the horror stories, including an account of a Shiite who, during an interrogation in his home, watched helplessly as police plucked out his three-month-old baby's eyes. Worse things happened with the knowledge, indeed with the participation, of Saddam, his family and the Baathist regime.

Remember too, that Saddam, in the Ramadan amnesty before the war, let every murderer, rapist and violent criminal loose on his own people -- 55,000 in Baghdad alone. They burned courthouses and the records within to make it next to impossible to identify them. They are still out there, doing what they do best.

Yet thanks to the Coalition Forces, the torture has stopped and the foundation of justice is being laid.... We need to remember that the vast majority of Iraqis want us there, and fear we may leave too soon. The Iraqis I keep in touch with tell me that each day is better than the day before.

There is real hope for the future. At the law school in Basra, students told me that "the future is ours." Surprisingly, I found a large number of Iraqi lawyers who are ready and willing to help restore the rule of law. If we cut and run now, before we establish the rule of law, tribal and religious courts could replace civil and criminal courts. And we may lose all to the small group of militants who now terrorize the Iraqi people. The costs may be great in lives and treasure, but the game is worth the candle.

O'DONNELL: U.S. HOLOCAUST ISSUES OFFICE PROMOTES JUSTICE FOR VICTIMS

Nov. 5: Special Envoy Edward O'Donnell before Senate committee

The U.S. Office of the Special Envoy for Holocaust Issues develops and implements policy on Holocaust era assets, compensation for losses during the Holocaust, and Holocaust remembrance "in a manner that complements our commitment to democracy, pluralism, human rights and tolerance in a Europe that is whole and free," said office director Edward O'Donnell November 5 in Washington.

The office promotes "a measure of justice for victims of the Holocaust and their families as an expression of our country's commitment to human rights and human dignity," O'Donnell told the Senate Foreign Relations Committee, which was considering President Bush's request to grant him the rank of ambassador during his tenure as Special Envoy for Holocaust Issues.

Adding that education is the "bedrock of the U.S. Administration's programs to counter anti-Semitism," O'Donnell said he is committed "to the high importance that this Administration places on seeking assistance and justice for Holocaust survivors, in promoting education about the Holocaust that will support efforts to stop anti-Semitism and in memorializing those who suffered."

Following is the text of O'Donnell's testimony as prepared for delivery:

Edward Baxter O'Donnell, Jr. Nominee for Rank of Ambassador as Special Envoy for Holocaust Issues

Statement before the Senate Foreign Relations Committee November 5, 2003

Mr. Chairman, Senators, ladies and gentlemen. I am honored to appear before you on behalf of my nomination for the rank of Ambassador as Special Envoy for Holocaust Issues.

I am very appreciative that the President and Secretary Powell selected me for this position. If the Senate confirms me for this rank, I commit to pursue the objectives our two branches of government and the American people share -- to help right past wrongs, bring a dignified measure of justice to Holocaust survivors and their

families, and to make sure that we and the international community remember the lessons of the Holocaust.

I have been in the Foreign Service for 28 years, serving in Washington, Europe and Latin America. I was involved in various capacities with Holocaust issues during several of my assignments. As a young officer on the German Desk in the early 1980s, I supported efforts to help Holocaust survivors who were coming out of the Soviet Bloc countries and had missed deadlines to file claims with the German government. I worked for then Under Secretary Stuart Eizenstat as his Executive Assistant during the negotiations he led with the Germans, the Austrians and the French. Both personally and professionally, I am committed to the high importance that this Administration places on seeking assistance and justice for Holocaust survivors, in promoting education about the Holocaust that will support efforts to stop anti-Semitism and in memorializing those who suffered.

I want to especially recognize and thank my family for their support over my Foreign Service career. Much love and thanks to my wife Beth and to my mother and father who always supported me and were understanding of those years when we took the grandchildren to some distant country. Many thanks to my children -- Christina, Teddy, Susannah and Bradley -- who followed me from country to country. And to my grandchildren -- Mickey and Julie who hopefully will have the same love of languages and different cultures that I do.

The Office of the Special Envoy for Holocaust Issues is dedicated to promoting a measure of justice for victims of the Holocaust and their families as an expression of our country's commitment to human rights and human dignity. Approximately 2,000 Holocaust survivors and many of their family members attended the "Tribute to Holocaust Survivors: A Reunion of a Special Family," at the 10th Anniversary of the United States Holocaust Memorial Museum this past weekend in Washington. President Bush wrote to the Holocaust survivors: "The lessons and stories of the Holocaust reveal an enduring truth: that evil is real, but hope endures. As we honor the memory of the victims of this dark and horrific time in human history, we rededicate ourselves to the pursuit of freedom, tolerance, and compassion."

Two weeks ago, I testified before the European Subcommittee of the Senate Foreign Relations Committee on "Anti-Semitism in Europe." I very much appreciate that opportunity early on in my tenure as Special Envoy

to explain Administration policy and to detail practical measures we are taking to counter anti-Semitism. This issue will continue to be a focal point of my work and a top priority. For the next three months, I will continue to serve as the Chairman of the Task Force for International Cooperation on Holocaust Education, Remembrance and Research. This work is vital for future generations of Europeans to both explain the horrors of the Holocaust and also to promote the importance of respect and tolerance for all persons and religions.

The bedrock of the U.S. Administration's programs to counter anti-Semitism is education. This is an area where I feel very comfortable -- I studied to be a teacher in college and were it not for serving my country in the U.S. Army, and later in the Foreign Service of the State Department, I might have become a high school principal in Tennessee. Both my mother and mother-in-law were educators in Tennessee and I have a deep and abiding commitment to the importance of history and learning the lessons of the past to ensure a better future. There is no better example of how important the study of history is than the horror of the Holocaust and the lessons it provides us about the importance of respect for other religions and cultures.

The Office of the Special Envoy for Holocaust Issues develops and implements U.S. policy with respect to Holocaust era assets, compensation for losses during the Holocaust, and Holocaust remembrance. This is done in a manner that complements our commitment to democracy, pluralism, human rights and tolerance in a Europe that is whole and free. Our office is helping implement major agreements negotiated in the 1990s which provide payments from German, French and Austrian compensation funds for victims and their families. I serve on the boards of the German and French Foundations and of the International Commission on Holocaust Era Insurance Claims, and on the United States Holocaust Memorial Museum Council.

In closing, I want to thank the members of the Senate Foreign Relations Committee for considering me for this unique position and high honor. If confirmed I promise to work diligently to help Holocaust survivors and their families obtain the assistance they need and deserve. I also commit that I will do my part to promote the study and understanding of the tragedy of the Holocaust and what we can learn from its bitter lessons.

Thank you for this opportunity to explain my background and my initial thoughts on the challenges ahead. I look forward to your questions.

CHINA MUST PLAY BY SAME TRADE RULES AS U.S., EVANS SAYS

Op-ed column by U.S. commerce secretary

(This column by U.S. Secretary of Commerce Don Evans was published in the Wall Street Journal November 5 and is in the public domain. No republication restrictions.)

America Plays Fair. Does China? By Don Evans

From day one, the Bush administration has been working to level the global playing field for American workers. Committed proponents of free trade, like the president, have a responsibility to ensure that our trading relationships take place on a level playing field. Properly understood, providing a level playing field is what we do when entering into World Trade Organization negotiations. At the same time, when we see unfair practices that violate current rules we have an obligation to raise these issues with our trading partners.

Recently, these pages and commentators elsewhere have suggested that vigorously raising evidence of unfair trade practices with our trading partners somehow constituted a breach of free-market principle. I strongly disagree. If you believe in free trade you must also insist on a level playing field and you must take issue with trading partners that tolerate or facilitate an unequal relationship.

During our economic mission to China last week, the U.S. delegation had two overriding objectives. First, we sought to convey to the Chinese government that the Bush administration values the vast potential for the U.S. within a healthy Sino-U.S. trading relationship. We congratulated China for lifting hundreds of millions of people from poverty by moving toward free-market capitalism. And we acknowledged the powerful impact that China's strong growth rate is having on the global economy. Second, during frank discussions with China's leaders, we reinforced the economic facts of life about democracy and free trade. We told them that a demo-

cratic country simply cannot sustain a one-sided trading relationship and we delivered a clear message: If you value access to American markets, the Chinese government must accelerate the pace of reform by dropping trade barriers, ending state-subsidies and speeding up its transition to an open, fully market-based economy.

The Bush administration is committed to building a global, free-trading economy because, along with sound fiscal and monetary policies, we regard open markets as necessary elements for a robust, growing domestic economy with the forward momentum to create a job for every American seeking work.

Today, China and the U.S. account for most of the world's economic growth. China's \$1.2 trillion economy is currently growing at 8%. During the third quarter, the U.S. economy grew at 7.2%. Together, our countries are providing energy to the global economy. In July of this year, China moved past Mexico to become our second largest trading partner. Since 2001, China has also been the fastest-growing export market for the U.S.

From the perspective of the U.S., free trade and open market access only work if both economies operate under the same rules and with a good-faith commitment to the spirit of all of our trading agreements and obligations. The current absence of parity is the primary source of the friction in the U.S.-China trading relationship. A glance at the export tables proves that the U.S. is holding up our end of the bargain. This year imports from China will be five times greater than U.S. exports and our trade deficit could reach \$130 billion.

Several proposals in Congress reflect the tension in our trade relations with China. One measure would repeal Permanent Normal Trade Relations with China while another would impose a 27.5% tariff on all Chinese exports to the U.S. The Bush administration opposes these proposals, but they should serve as ample warning to the Chinese government that progress -- not promises -- is required. China needs to open markets, drop trade barriers, eliminate state subsidies and allow market forces to determine economic decisions.

We have been patient, but America's patience is wearing thin. While China has made some progress in moving into compliance with its obligations under the WTO, we have seen a loss of momentum. The AmCham-China chose 14 benchmarks to test China's WTO commitment performance. As of July 19, China had made good on

two, had made some progress on seven, and had significant problems with the other five.

A flood of counterfeit products is being produced, consumed and exported by China. The Business Software Alliance estimates software piracy rates in China exceed 90% and it is reasonable to assume that the vast majority of the Chinese government is operating with pirated software. China's state-run banks are another concern. China's savings are trapped in a system of indentured capital. There is no economic justification for the loans extended to unprofitable businesses in China, and nonperforming loans are a form of state subsidy. According to some estimates, nonperforming loans account for as much as half of China's lending portfolios.

The U.S. is fully committed to working with China to comply with the WTO rules. But failing to raise these issues with China would be inconsistent with the principles of free trade.

The status quo clearly is unacceptable. That was the message we delivered in Beijing. For their part, China's leaders committed to closing the trade deficit and working toward a level playing field. The reports of upcoming Chinese purchases of U.S. capital goods are a step in the right direction, but our goal is structural change in China's economy to produce a genuinely level playing field. Our interests will only be resolved by an active, top-to-bottom, fully enforced movement to market openness in China.

We will be closely monitoring progress in the Chinese market, and we will settle for nothing less than a level playing field. For our part, the U.S. stands ready to assist the Chinese government in achieving that goal.

(Mr. Evans is the commerce secretary.)

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